

UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF CALIFORNIA

M&T CAPITAL AND LEASING  
CORPORATION,

Plaintiff,

v.

FREON LOGISTICS,

Defendant.

Case No. 2:23-cv-01171-WBS-CSK

ORDER DENYING WITHOUT PREJUDICE  
PLAINTIFF'S REVISED MOTION FOR  
DEFAULT JUDGMENT

(ECF No. 23)

On June 20, 2023, Plaintiff M&T Capital and Leasing Corporation filed a complaint in this district court against Defendant Freon Logistics alleging that Defendant defaulted under the terms of various loan documents. *M&T Capital and Leasing Corporation v. Freon Logistics* ("M&T Capital II") (ECF No. 1). Pending before the Court is Plaintiff's revised motion for default judgment pursuant to Federal Rules of Civil Procedure 55(b)(2).<sup>1</sup> (ECF No. 23.) This motion was set for hearing for June 18, 2024. (*Id.*) Defendant did not file a response to the motion, nor has it appeared in this case in any way. As a result, on June 4, 2024, Plaintiff's motion was taken under submission without argument pursuant to Local Rule 230(c) and (g). (ECF No. 25.) For the reasons stated below, the Court DENIES WITHOUT PREJUDICE Plaintiff's revised motion for default

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<sup>1</sup> This matter proceeds before the undersigned pursuant to 28 U.S.C. § 636, Fed. R. Civ. P. 72, and Local Rule 302(c).

1 judgment subject to renewal.

2 Four months before filing the Complaint in this district court, on or about February  
3 16, 2023, Plaintiff initiated a federal action against the individual guarantors of the same  
4 loan documents in the United States District Court for the District of Connecticut alleging  
5 breach of guaranty claims. *M&T Capital and Leasing Corporation v. Amarinder Singh*  
6 *Gorwara, Hardeep Singh, et al.*, 3:23-cv-00205-JAM, ECF No. 1 (D. Conn. Feb. 16,  
7 2023) ("*M&T Capital I*"); *see also* ECF No. 13 at 3.

8 On June 15, 2023, Plaintiff moved for default judgment against Defendants  
9 Amarinder Singh Gorwara and Hardeep Singh as guarantors on the loan documents,  
10 seeking \$4,923,090.77 in damages for the outstanding balance on the loan documents  
11 as of June 12, 2023, which includes interest, costs, expenses, and attorneys' fees. *M&T*  
12 *Capital I*, ECF No. 15 at 6 (D. Conn. June 15, 2023). On September 5, 2023, the District  
13 Court for the District of Connecticut granted Plaintiff's motion for default judgment in the  
14 amount of \$4,383,596.53 in damages, \$485,447.04 in interest, and \$54,047.20 in  
15 attorney's fees, for a total amount of \$4,923,090.77, with post-judgment interest to  
16 accrue pursuant to 28 U.S.C. § 1961. *M&T Capital I*, ECF No. 17 (D. Conn. Sept. 5,  
17 2023). Plaintiff indicates the District of Connecticut judgment remains unsatisfied to date.  
18 See ECF No. 13 at 3.

19 In this district court, the Complaint alleges claims for writ of possession and  
20 breach of contract against Defendant based on the same loan documents in *M&T Capital*  
21 *I*. See Compl. at 8-10. On May 7, 2024, Plaintiff moved for default judgment against  
22 Defendant seeking \$4,524,119.29 in damages for the outstanding balance on the loan  
23 documents as of April 30, 2024, which includes default interest, costs, expenses, and  
24 attorneys' fees. (ECF No. 23-1 at 5.)

25 Plaintiff, however, fails to address whether recovery on the claims asserted in this  
26 action is barred by the doctrine of double recovery. *See Sorayama v. Robert Bane Ltd.*  
27 *Inc.*, 380 F. App'x 707, 709 (9th Cir. 2010) (holding the doctrine of double recovery bars  
28 a party from recovering twice for the same harm). The District of Connecticut previously

1 granted default judgment against the individual guarantors on Plaintiff's breach of  
2 guaranty claims for a total amount of \$4,923,090.77 for defaulting on the same loan  
3 agreements that are the subject to this action. *M&T Capital I*, ECF No. 17 (D. Conn.  
4 Sept. 5, 2023). Awarding Plaintiff a second recovery against Defendant for defaulting on  
5 the same loan agreements that were the subject of the action brought against the  
6 individual guarantors, Amarinder Singh Gorwara and Hardeep Singh, in a different action  
7 would give Plaintiff an improper double recovery. See *Sorayama*, 380 F. App'x at 708-  
8 709 (holding a court commits reversible error when it, for example, awards damages for  
9 both breach of contract and the torts of conversion and breach of fiduciary duty where,  
10 by awarding damages for both breach of contract and tort theories, the judgment  
11 contains the potential for double recovery).


12 Because Plaintiff has failed to provide sufficient information for the Court to  
13 determine whether default judgment is appropriate in this action due to the issue of  
14 double recovery, the Court denies Plaintiff's motion without prejudice. The Court  
15 provides Plaintiff a final opportunity to file second motion for default judgment, which  
16 should also address these deficiencies. Plaintiff is further directed to address whether it  
17 seeks to hold Defendant jointly liable for the previous default judgment against the  
18 individual guarantors, Amarinder Singh Gorwara and Hardeep Singh. If Plaintiff does not  
19 timely file a second motion for default judgment within thirty (30) days from the date of  
20 this order, Plaintiff is warned that this action will be recommended to be dismissed.

21 In conclusion, IT IS HEREBY ORDERED that:

- 22 1. Plaintiff's revised motion for default judgment (ECF No. 23) is DENIED  
23 WITHOUT PREJUDICE; and
- 24 2. Plaintiff is directed to file a second motion for default judgment, which  
25 should also address the deficiencies noted above, within thirty (30) days  
26 from the date of this order.

27 Dated: March 20, 2025

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CHI SOO KIM